

Key considerations for Indonesia listing

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Listing Entity

- ❑ Company listed on Indonesia Stock Exchange (“IDX”) shall be an **Indonesian incorporated entity and is required to fulfill financial, legal and disclosure requirements for IDX listings**
 - ❑ To obtain all required approvals for the IPO, both internal and third parties (e.g. shareholders approval, bank consents, JV partners consent and other required approvals)
 - ❑ To ensure the availability and validity of relevant business licensing / permits
 - ❑ **To determine the most efficient and effective structure for the IPO entity**

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Timing

- ❑ Properly align between IPO preparation, marketing, and funding requirement
 - ❑ **To obtain commitment from various parties on the IPO preparation (incl. corporate restructuring)** within the timeframe and buy-ins from all stakeholders
 - ❑ To carefully **craft a transaction timeline that favors international marketing effort** such as the availability of the potential investors during the marketing period (e.g., avoiding Year-end holiday, Summer holidays)
 - ❑ **To ensure alignment of funding requirement and the IPO process** (discussion on business plans, use of proceeds, size, and deployment timeline)

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Due Diligence

- ❑ Consultants will **prepare a due diligence questionnaire (business, financial and tax, legal, technical, HR, etc.)**
- ❑ Management to give a thorough presentation on the business and operations
- ❑ Domestic counsels to prepare legal due diligence report and clean legal opinion to IDX and OJK, while all counsels need to provide disclosure opinions

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Financials

- ❑ **Three full year audited financials** + interim audited report not older than 6M at the time of OJK effectiveness
- ❑ Auditors will need to circle up individual numbers (including certain operating data) in the Prospectus.

Key considerations for Indonesia listing (cont'd)

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Financial Model

- ❑ Financial advisor to provide guidance and inputs on financial model, such as: market assumptions and valuation approach
- ❑ Financial advisor to assist in analyzing IPO structure which includes capital structure, dividend policy, and offering structure
- ❑ Operational data used for marketing purposes need to be publicly disclosed
- ❑ 3 years financial forecast to be provided to IDX as part of regulatory submissions (post-money assumptions)

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Other Independent Party Report

- ❑ Independent Appraisal Report, if required
- ❑ Independent Technical Report, if required
- ❑ Industry Report which supports investor education should be included in the Prospectus and presentation materials

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Post-IPO Lock-up (Restructuring Issue)

- ❑ Any party who receives newly issued shares at less than the IPO price or equity linked-securities of the issuer with a conversion price less than the IPO price within 6 (six) months prior to the first filing of the Registration Statement with the OJK ("Lockup Party") will be subject to lock up for 8 (eight) months starting from the date of OJK Effective Statement (c. 10-14 days prior to listing).
- ❑ **The lockup applies to all the shares** held by the Lockup Party (both the shares acquired pursuant to 1st bullet and any existing shares owned even if acquired prior to the 6 months referred to in the 1st bullet).

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Post Listing Obligations

- ❑ To Follow OJK and IDX requirements when conducting corporate actions such as: material transactions, related-party transactions, non-BAU corporate transactions, as well as new shares issuance
- Post-IPO New Routines:**
- ❑ To conduct annual public expose at least once a year
 - ❑ To issue audited financial statement by the end of the 3rd month after the close of the financial year
 - ❑ To issue interim financial statement within 1 month (if unaudited), or 2 months (if limited review), or 3 months (if audited) after close of interim period ends

Relevant listing regulations and requirement to list in the IDX

Descriptions	Main Board / New Economy Main Board	Development Board	Acceleration Board
Form of corporation	Indonesia limited liability company (PT)	Indonesia limited liability company (PT)	Indonesia limited liability company (PT)
Operating Period	> 36 months	>12 months	No requirement as long as commercial operation has been conducted
Audited financials	Min. 36 months, unqualified opinion	Min. 12 months, unqualified opinion	Since establishment with unqualified opinion
Financial requirements	<p>Company to fulfill one of the following requirements:</p> <ul style="list-style-type: none"> Profit Before Tax & Net Tangible Assets > IDR 250 Bn Cumulative profit before tax for the past 2 years > IDR 100 Bn & Market Cap > IDR 1,000 Bn; Revenue > IDR 800 Bn & Market Cap > IDR 8,000 Bn Total Assets > IDR 2,000 Bn & Market Cap > IDR 4,000 Bn Cash Flow from Operations for the past 2 years > IDR 200 Bn & Market Cap > IDR 4,000 Bn <p>Additional requirements to list on the New Main Economy Board:</p> <ul style="list-style-type: none"> Meet initial listing requirements of the Main Board Using technology to create product or services innovations Have high revenue growth (e.g., 3-years CAGR > 30%) Included specific business fields determined by the IDX (e.g., autonomous tech, biomedicine, Fintech, internet company, cloud computing, etc.) 	<p>Company to fulfill one of the following requirements:</p> <ul style="list-style-type: none"> Net Tangible Assets > IDR 50 Bn Cumulative profit before tax for the past 2 years > IDR 10 Bn & Market Cap > IDR 100 Bn; Revenue > IDR 40 Bn & Market Cap > IDR 400 Bn Total Assets > IDR 250 Bn & Market Cap > IDR 500 Bn Cash Flow from Operations for the past 2 years > IDR 20 Bn & Market Cap > IDR 400 Bn 	<ul style="list-style-type: none"> Assets up to IDR 250 Bn Not controlled directly and/or indirectly by a Listed company and Parent with more than IDR 250 Bn in assets No requirement to record operating profit but the company shall be able to generate operating profit and net profit by the end of 6th fiscal year based on the projection published
Min. Public Free Float Requirement	- 20% of the total issued shares if prior to the IPO equity < IDR 500 Bn - 15% of the total issued shares if prior to IPO equity IDR 500 Bn – IDR 2,000 Bn - 10% of the total issued shares if prior to the IPO equity > IDR 2,000 Bn		20% of the total issued shares
Min. shares owned by non-controlling shareholders	300 Mn shares	150 Mn shares	20% from the paid-up capital
Min. shareholders	1,000 new shareholders at the day of the listing	500 new shareholders at the day of the listing	300 new shareholders at the day of the listing
Min. basis of underwriting	Full commitment basis	Full commitment basis	Best-effort basis

Relevant listing regulations and requirement to list in the IDX (addtl)

Company must adhere with relevant listing and sector requirements and obtain various approvals to list on the IDX

Corporate Governance

Board of Commissioners ("BOC")	<ul style="list-style-type: none"> • Minimum 2 members, one BOC member to hold President Commissioner role • 30% of BOC member must be Independent Commissioner • Can hold BOD or BOC position in two other public companies • No restrictions in term of nationality. • Good reputation, appropriate experience and expertise • Maximum tenure term is 5 years
Board of Directors ("BOD")	<ul style="list-style-type: none"> • Minimum 2 members, one BOD member to hold President Director role • Can hold BOD position in 1 other listed company • No restrictions in term of nationality. However, BOD member in charge of human resources is required to be Indonesian • Good reputation, appropriate experience and expertise • Maximum tenure term is 5 years
Other Governance	<ul style="list-style-type: none"> • To establish audit committee, remuneration and nomination committee, and internal audit unit • To appoint corporate secretary
Articles of Association ("AOA")	<ul style="list-style-type: none"> • Alignment of Company's Articles of Association with relevant guidelines from OJK and/or IDX

Key Corporate Approvals

1	Approvals of the company's general meeting of shareholders (GMS)
2	Approval of the MOLHR for the amendments to the company's articles of association
3	Approval from technical ministry regulators (if required)
4	Approval from the relevant stakeholders (e.g., JV partners, Creditors) as required

Research Report

- IDX requires Research Report from one of the underwriter to be submitted upon IDX listing requirements.
- Company need to prepare relevant data (e.g., business plan, company profiles) for underwriters to prepare the Research Report

Reference: POJK 33/2014, BapepamLK Decree No. IX.J.1 / 2008,

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